Developing Gillette

The 2009 Annual Development Summary

Including special segments on the Decade in Review



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Gillette College Student Housing Phase I – A Joint Venture by the City of Gillette and Gillette College – Opened Fall 2009 Housing for 100 students

EXECUTIVE SUMMARY

Developing Gillette provides a variety of practical information about development within the City of Gillette from January through December 2009. The report includes: new residential permits issued; rental vacancy rates; employment data; new construction commercial building permits; and, current and historical demographic data. Additionally there is an overview of public and private sector activities that directly aid long term development within Gillette and Campbell County. This comprehensive document was created to serve as a "one stop shopping" reference tool for development within the City.

Gillette is the largest community in Campbell County and Northeast Wyoming. With a housing stock increase of 54%, a 50% population growth rate and physical expansion of the City boundaries has increased the land size 43% over the past 10 years. It is clearly evident Gillette is dynamic and not typical of communities in the rest of the country. In 2008 and 2009, Gillette was ranked in the top 2% for economic strength of the 574 Micropolitan areas in the United States according to *Policom*, a national economic development research firm (A Micropolitan area is defined as having an urbanized area of at least 10,000 population but less than 50,000 population).

Very impressive growth in commercial, residential, infrastructure and public facility development has occurred in Gillette. During the last decade it is estimated that just over \$3.2 billion has been invested in commercial development, power generating stations, coal mine improvements, upgraded/new public facilities/roads as well as upgrades to the railroad network within the Powder River Basin. The investments create a larger economy for the region while promoting some economic diversification for the area. Gillette is and will remain a strategic energy production center for the United States.

During the 2009 Legislative Session, the State of Wyoming provided Gillette with a \$16.8 million grant and loan package (67% and 33% respectively). The approved legislation acknowledged \$226 million as the total project cost and necessary funding needed to design and construct a new well field and water delivery system from the Madison Aquifer, located 42 miles northeast of Gillette for a regional water supply project. This system will be the backbone of a long term water supply system that will provide clean drinking water to Gillette and rural water districts through 2038. The Gillette Regional Water Supply Project is the most significant project that will help define the future of our City and the region.



New Pedestrian Bridge at Gillette College

2009 DEVELOPMENT HIGHLIGHTS

Population Growth

- ▶ Population estimate is 33,159
- ► Growth rate was 4.4% compared to historical average of 3.41%

Physical Growth

► 67 dwelling units annexed into the City

Housing Stock

- ► 457 residential permits
- ► 162 new multi-family units
- ► 175 single family dwellings were permitted during 2009
- ► 68 new single family attached units (duplex units)
- ► 52 new manufactured homes
- ► The average vacancy rate by quarter for rental buildings was 5% for 2009.
- ► The average vacancy rate by quarter for manufactured home parks was 5.7% for 2009

Housing inventory now stands at 12,282 units. The total amount of housing unit capacity within the subdivision review stage or that could apply for a building permit totaled 1,707 at the end of 2009. There were 1,942 at the end of 2008, 2,283 at the end of 2007, and 2,267 at the end of 2006.

Public Infrastructure

- ► Gillette College Technical Education Center completed
- ▶ 100 bed Gillette College student housing opened
- ► Hillcrest School opened
- ▶ The Burma Road extension, still under construction, provides a new north/south route across I-90, connecting the hospital area with Lakeway Road. The new roadway will make for better traffic flow, provide an important cross community connection, and will open up more land for annexation and future development.

Private Infrastructure

▶53 commercial permits issued for new commercial buildings (Example in photo: Smith's remodel).



CITY OF GILLETTE AND CAMPBELL COUNTY DEVELOPMENT 2000 – 2009 Decade Review

- ✓ At the beginning of 2000 the population of Gillette was estimated at 22,043. At of the end of December 2009 the population of Gillette was estimated at 33,159. This increase of 11,116 people is a growth rate of 50% over the decade.
- ✓ Over the past 10 years there have been 4,322 residential dwellings added within the City of Gillette. The housing stock grew by 54% in the decade.
- ✓ There were 50 annexations over the decade. The land size of the City grew by 43% over the past 10 years.
- The more significant public sector investments included: The new Gillette College Technical Education Center, the Wyoming Center at Cam-Plex, upgrading the City's Wastewater Treatment Plant, the new County Recreation Center, the new Gillette College Student Housing facility, new Public Health Building, new Fire Department Headquarters, and County Library upgrade in Gillette and new Wright Library. Other public investments included: County Courthouse upgrade, County Landfill upgrades, Sheriff's Office and Detention Center, Hospital renovations and additions, three new public schools, City Hall renovations, designing the regional water supply system, the completion of new streets within the City to improved traffic flow and open up new land for development, and the construction of a new 69KV line and route designed to make the local electrical grid more efficient.
- ✓ From 2000 through the end of 2009 in the City of Gillette there have been 52 new major commercial building projects valued at \$1 million each or more that have a combined value at slightly more than \$353 million.
- ✓ For the entire decade within the City of Gillette there were 16 additions to commercial projects valued at \$1 million each or more that combined are valued over \$89 million. These are: Wal-Mart expansion; Pre Corp expansion; Trinity Lutheran; three new Automobile Dealerships; Harley Shop; Prime Rib, Cummins Rocky Mountain; and Kennecott Energy (now known as Cloud Peak Energy).
- ✓ Over the course of the past 10 years there have been 620 permits issued for commercial alterations with a total value of more than \$58 million. Some projects in this category include Smith's Food and Drug, Albertson's, Wingate Inn, County Courthouse, American National Bank, City Hall, Security State Bank, Humphrey's Restaurant, Farmer's Co-op, Camel Plaza facade, Prime Rib Restaurant, Gillette Newsrecord, numerous renovations/alterations to industrial buildings in Energy Park, and renovations to several downtown commercial buildings.
- ✓ There have been an estimated 670 commercial projects with a combined value of \$501,540,209 making the average slightly better than \$50 million per year.
- ✓ Examples of new buildings costing less than \$1 million and built within the last 10 years include Bears Cleaning, the new Veterans Clinic, Novus Auto Glass, Mona's Café, new medical clinics/offices near the hospital, and several storage unit projects.
- ✓ Over the past 10 years there have been 620 alterations for commercial projects that have a combined value of more than \$58 million.
- ✓ The Campbell County School District started three new school projects during the decade: Recluse Elementary opened in 2008; Hillcrest Elementary opened in 2009, and Prairie Wind Elementary School will open in the fall of 2010.

- ✓ Campbell County Memorial Hospital has embarked upon a significant addition to its hospital facilities including a new medical care wing and a parking garage with an estimated value of \$65 million.
- ✓ During the course of the decade Basin Electric committed to \$1.3 billion to build the Dry Fork Station, an electric power generating plant which is now 78% complete as of December 2009. The new electric generating station is located north of Gillette and is expected to be online in 2011.
- ✓ Black Hills Power has invested more than \$250 million adding new generating units to the Wyodak Electric Plant located east of Gillette.
- ✓ The UP and BNSF railroads combined to invest some \$250 million in the Powder River Basin during the course of the decade to upgrade rail facilities which serves the transportation needs for coal delivery across the United States.
- ✓ From 2000 through 2009 it is estimated the coal mines in the Powder River Basin have invested more than \$200 million to upgrade facilities and equipment at the 13 mine sites located in Campbell County.
- ✓ Starting in 2006 the City began planning for a regional water system. At the end of the decade the project is in the design stage. Depending on financing the project may be operational by 2015. Community leaders were able to acquire \$16.8 million in grant and loan funds from the State.
- ✓ It is estimated a little more than \$3.2 billion was invested within Campbell County during the course of the decade by the combined efforts of the private and public sectors. The investments stand out due to their ability to influence the economy, quality of life, and future development within Gillette, Wright, and the rest of Campbell County.
- ✓ As stated previously, toward the end of the decade in 2008 and 2009, the City of Gillette was ranked within the top 2% of all 574 Micropolitan areas of the United States for economic strength, as determined by *Policom*, a national economic development research firm.

POPULATION

It is estimated the total population of Gillette increased from 31,745 in January 2009 to 33,159 at the end of December 2009. This represents an increase of 1,414 people during the calendar year. Between July 2008 and July 2009, Wyoming led the nation in population growth with a 2.1% increase. The national increase was 0.9% for the same time period. When reviewing the bust years of the mid 1980s (during which Gillette lost about 20% of its population), and comparing it to the current recession, the numbers show Gillette has increased its population by more than 7%. This is a mark of a maturing local economy, though not a diverse economy. During the 10 year time span, from January 2000 (population 22,043) through December 2009 (population 33,159), the population increased by 11,116 in Gillette. Over the past decade the City's population grew by 50%, a most significant increase with long term implications on infrastructure, business, education, health care and local government services. One out three people living in Gillette today was not living here in 2000.

The City of Gillette has grown significantly since 1960 when there was a population of 3,580 people, then 7,194 people by 1970 according to the U.S. Census. Population estimates are conducted to aid with planning activities in Gillette because it is susceptible to the economic rollercoaster effects of a mineral based economy. Table 1 on the next page shows the estimated population for the City of Gillette from 1975 through 2009.

Over a 35-year reporting period there have been three years of population loss: 1986, 1987 and 1997. Throughout 1986 and 1987 the community lost 20.8% of its population, or slightly more than one out of five people. By the end of 1987, the population of Gillette was reduced by 3,003 people and stood at 17,054. In 1997 Gillette lost 8% of its population. The population losses in 1986 and 1987 are attributed to the end of the last energy boom economic cycle which was driven by oil. The energy boom, which lasted from 1979 through 1984, boosted the population of Gillette 50.5% in only five years. The population grew from 13,321 in 1979 to 20,057 at the end of 1984. The growth caused a tremendous strain on the social fabric and physical infrastructure of the community. From 1975 through 2009 the City of Gillette grew from 10,236 people to 33,159, a total population increase of 22,923. Gillette has an average growth rate in population of 3.4% per year from 1975 through 2009.

In order to match more closely with the U.S. Census Bureau figures regarding average household size, and starting with the 2003-2004 Housing and Demographic Report, family size was adjusted to reflect the average number of people per household, as indicated by the 2000 U.S. Census. This figure shows an average of 2.7 people per household for the City of Gillette. By using this method, the total population estimates are more in line with overall Census methodology.

The total population is obtained by taking the average household size (2.7) and multiplying it by the total number of new housing units permitted/annexed to arrive at an estimated population figure. Vacancy rate data is not used for the population estimate because it is a snapshot of the housing stock and changes over time. For the 2009 year, 67 housing units annexed during the year are also counted toward the population estimate, along with the number of new housing permits issued.

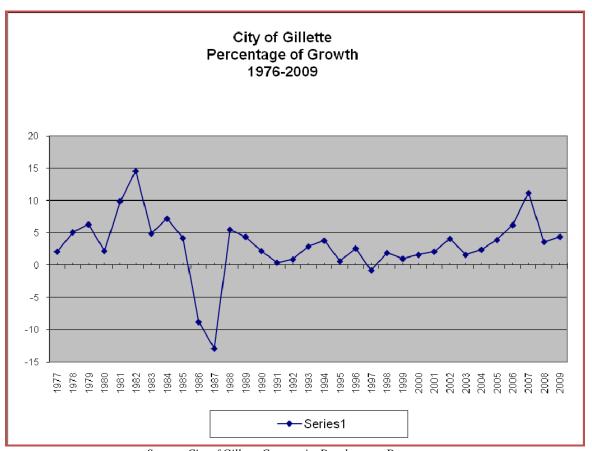
TABLE 1POPULATION ESTIMATE
City of Gillette
1975-2009

Year	Population	Increase/Decrease	% Change
1975	10,236	Not Applicable	Not Applicable
1976	11,600	1,364	11.8
1977	11,853	253	2.1
1978	12, 487	643	5.1
1979	13,321	834	6.3
1980	13,617	296	2.2
1981	15,115	1,494	9.9
1982	17,703	2,592	14.6
1983	18,622	919	4.9
1984	20,057	1,453	7.2
1985	20,943	886	4.2
1986	19,246	-1,697	-8.8
1987	17,054	-2,192	-12.9
1988	18,039	985	5.5
1989	18,861	822	4.4
1990	19,285	424	2.2
1991	19,353	68	.4
1992	19,521	168	.9
1993	20,099	578	2.9
1994	20,892	793	3.8
1995	21,023	131	.6
1996	21,585	562	2.6
1997	21,410	-175	8
1998	21,817	407	1.9
1999	22,043	226	1.0
2000	22,391	348	1.6
2001	22,867	476	2.1
2002	23,852	985	4.1
2003	24,235	383	1.6
2004	24,833	598	2.4
2005	25,829	996	3.9
2006	27,533	1,704	6.2
2007	30,636	3,113	11.2
2008	31,745	1,109	3.6
2009	33,159	1,414	4.4
	The City Has	The City Has Grown Its	Average Population
	Grown By 22,923	Population, On Average	Growth Per Year 1975 –
	from 1975 – 2009	by 654 People Per Year	2009: A 35 year period =
SOURCE: Circ. of Cill		From 1975 – 2009	3.4%

SOURCE: City of Gillette Community Development Department

Chart 1 (below) shows the percentage of population growth over time from 1976 through 2009. It demonstrates the effects of the boom–bust cycle. It also shows that most of the growth has been between 1% and 5% for the past 20 years. The chart illustrates the lessening of the peaks and valleys of the boom bust cycle over the past 20 years. The annual population growth rate for the 34-year period is 3.4%. The shape of the line shown on the chart closely resembles the percentage of population growth for Wyoming over the same time period.

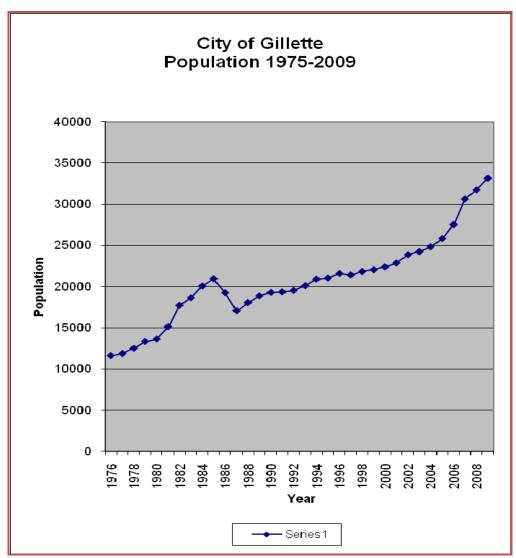
CHART 1



Source: City of Gillette Community Development Department

Chart 2 (below) shows population growth for Gillette from 1976 through 2009. As the previous chart illustrates the lessening of the peaks and valleys of the boom bust cycles over the past 20 years, Chart 2 shows the consistency of population growth over the same time period. The consistency demonstrated during the past 20 years is indicative of the lessening of volatility which is inherent of the boom–bust cycle. It shows a maturing of the local economy, but not a diverse economy. The State of Wyoming has a similar pattern of growth over the period of time shown by Chart 2.

CHART 2



Source: City of Gillette Community Development Department

ANNEXATIONS

During 2009 there were three completed annexations that added 302.14 acres - or close to 1/2 square mile of land to the corporate limits of the City. There were 67 residential units added to the City through annexation during 2009. Table 2 shows annexation information for the reporting period. At the end of December 2009, with annexations during the year added, the City was 11,931.14 acres in size, or 18.64 square miles. There was one annexation in the review process at the end of 2009.

TABLE 2
ANNEXATIONS TO THE CITY OF GILLETTE

Annexation	Date of	Acreage of	Type and	Estimated
Name	Annexation And	Annexation	Number of	Population of
	Ordinance		Dwelling Units	Annexed Area
EMS Addition	March 30, 2009	6.38	0	0
	Ord. # 3617			
East Boxelder	March 30, 2009	223.48	42 Manufactured	180*
Addition	Ord. # 3616		Homes and 25	
			Single Family	
			Detached	
Legacy Ridge II	Oct. 5, 2009	72.28	0	0
Addition	Ord. # 3646			
TOTALS	3 Annexations	302.14 acres	67 dwelling units	180 estimated
		Annexed to City	Included	residents in
		Or .47 of a square		annexed areas
		mile		

SOURCE: City of Gillette Community Development Department

The 1980s opened up areas through annexations such as Energy Park, Heritage Village, South Park, the west Lakeway area, and added more commercial land along South Douglas Highway. The 1990s opened up land for infill annexations. Since 2000 significant industrial, commercial, and residential areas have been annexed. These include Promontory Park along South Douglas Highway, residential and commercial land along Garner Lake Road which is now served by the new Butler Spaeth Road, industrial lands on the east side of Gillette, and residential areas on the east, north and west sides of the City.

The following table (Table 3 on the next page) represents all the annexations from 2000 through 2009. There were 50 annexations and the City grew by 5.69 square miles during this time frame. The annexations for the past 10 years increased the land size of the City by 43%. The rate of growth in annexation over the past 10 years is demonstrative of the upswing in mineral extraction industries during the decade. The annexation growth rate over the past decade exemplifies Gillette as the regional goods and services hub for northeast Wyoming.

^{*} Population estimate uses 2.7 persons per dwelling unit – Source 2000 US Census

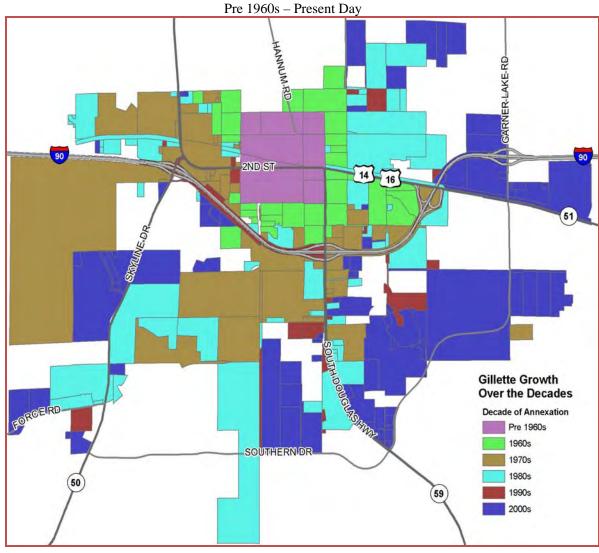
TABLE 3 ANNEXATIONS 2000 – 2009

Annexation Name	Date of	Acreage	Dwelling	Estimated
	Annexation		Units	Population
Dougherty	Feb. 22, 2000	3.09	0	0
Millennium	April 17, 2000	182.39	0	0
Prairie Blossom	June 5, 2000	39.01	0	0
Silverado	June 5, 2000	7.73	0	0
Gases Plus	Aug. 21, 2000	3.89	0	0
Promontory Park	Jan. 2, 2001	13.46	0	0
Hidden Valley Water Tank	April 16, 2001	3.0	0	0
HMBB	June 4, 2001	.89	0	0
Moonshiner Estates	June 4, 2001	16.22	0	0
Weinreis Brothers	Sept. 4, 2001	44.82	0	0
WMI	Sept. 17, 2001	47.20	0	0
Tract 024	Oct. 1, 2001	27.01	0	0
Rennels	Oct. 1, 2001	10.0	0	0
Davis Chevrolet	Nov. 19, 2001	11.91	0	0
Stephen Tarver	March 18, 2002	3.85	0	0
City East	April 1, 2002	181.45	140	315
Tract A Maher	Oct. 9, 2002	11.14	0	0
Collins Heights	Nov. 4, 2002	130	150	330
Belle Fourche	Jan. 21, 2003	5.27	0	0
Campbell County Landfill # 1	June 16, 2003	11.55	0	0
Moonshiner Lane/Lakeway Rd	Dec. 1, 2003	7.76	0	0
Highway 50	Jan. 5, 2004	129.96	0	0
Moonshiner Estates II	May 3, 2004	70.33	0	0
Energy Estates	July 6, 2004	39.88	0	0
Promontory Park II	August 2, 2004	82.44	0	0
Home Depot	Sept. 7, 2004	15.38	0	0
Sage Valley Estates, Phase VI & VII	Dec. 20, 2004	28.02	0	0
College Park	March 7, 2005	40.84	0	0
Skyline Ranch	July 5, 2005	9.63	0	0
Gillette Golf Course	Aug. 15, 2005	358.88	0	0
Ryan	Sept. 6, 2005	5.94	0	0
Albert	Nov. 7, 2005	4.19	0	0
Northern Production	Nov. 21, 2005	5.41	0	0
Western Skyline	June 5, 2006	285	0	0
Northern Hills Estates	Nov. 20, 2006	80.10	0	0
Rushmore	Dec. 18, 2006	2.00	0	0
Doud Addition	March 5, 2007	31.67	0	0
Bittercreek Estates	May 14, 2007		0	0
Hillcrest School	May 30, 2007	111.97 19.15	0	0
Southside	Sept. 12, 2007	92.72	41	110
Kluver/ Buckskin Drive	Oct. 10, 2007	6.64	0	0
Force Road		119.59	20	54
WYDOT Warner Pacific	Feb. 4, 2008 Feb. 4, 2008	181.02	0	0
Ash Meadows	·	55.1	0	0
	Feb. 19, 2008	82.69	0	0
Legacy Ridge East Lakeway	May 21, 2008		0	0
	Oct. 16, 2008	57.83	0	0
Stonepile	Nov. 13,2008	663.45		
EMS	March 30, 2009	6.38	0	0

East Boxelder	March 30, 2009	223.48	67	180
Legacy Ridge II	Oct. 5, 2009	72.28	0	0
TOTALS		3,643.61		

The following map is a representation of the growth of Gillette through annexation. The map shows the City of Gillette in the pre 1960s as an area of land adjacent to the railroad, where it was originally founded in 1891. In 1891, day-to-day living revolved around the railroad and surrounding ranches. The northern boundary at that time was Burlington Lake where cattle were led to drink when stock was moved by railroads. During the 1960s, the map shows Gillette growing on all sides, with most of the growth occurring on the east and west sides of South Douglas Highway. The 1960s saw an opening up of commercial and residential areas. During the 1970s, growth followed the opening up of Interstate 90 and the start of present-day coal mining in Campbell County. Large areas of land around and near the Highway 50 Interchange and the South Douglas Highway Interchange were annexed into the City. The Westover, Echeta and Paintbrush neighborhoods were formed during this time.

MAP 1
City of Gillette Growth Over the Decades Showing Annexations
Pre 1960s – Present Day



HOUSING UNITS PERMITTED

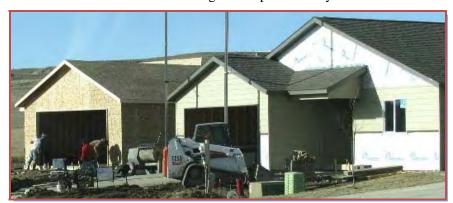
During 2009, 67 housing units were added through annexation. There were 457 new housing units permitted during the course of the year. The total increase in the housing inventory for 2009 was 524 units.

Looking back five years, there were 631 housing units permitted in 2006 and this was a new record for permits. In 2007 that record was re-established with 1,112 housing units permitted. Additionally, there were 41 housing units annexed into the City during 2007. Over the 2007 calendar year, the housing inventory in Gillette increased from 10,194 units to 11,347 units - an increase of 11.3%. In 2008 there were 391 housing units permitted and 20 housing units annexed into the City. This represented an increase of 411 housing units added to the housing stock of Gillette during 2008.

At the end of 2005, the Bureau of Land Management issued estimates of needed housing in Campbell County from 2003 through 2020. The estimates contained in the *Task 3C Report for the Powder River Basin Coal Review Cumulative Social and Economic Effects* were developed by using two scenarios based upon future coal production levels. The two scenarios are a lower production level and a higher production level of coal. The results indicate a range of economic activity with associated social and economic effects. The range of housing units needed over the time period of 2003 through 2020 in Campbell County is from 6,470 units at the lower production level to 7,987 housing units at the higher production level. The range of housing needed on the average for each year of the 18-year period at the lower production level is 359 units. The range of housing needed on the average for each year of the 18-year period at the higher production level is 443 units per year.

The time period during which most of the housing demands in Campbell County are to take place is from 2003 through 2010 according to the Task 3C Report (available upon request). According to the report, at the lower production scenario 4,308 more housing units will be needed in Campbell County from 2003 through 2010. This is an average of 538 units added per year. There have been 3,587 housing units added within the City during the time period of 2003 through 2009. This averages out to 512 housing units per year being added in the City during that time period.

At the higher production scenario over the eight-year period 5,010 units are needed, which averages out to 626 units per year to meet housing needs in Campbell County and the City of Gillette. The City is averaging 512 housing units added per year so far from 2003 through 2009. At this time it is not possible to determine the amount of new housing in Campbell County.



New Construction at Remington Estates

TABLE 4
HOUSING UNITS ADDED BY TYPE AND DISTRIBUTED BY NEIGHBORHOOD
Includes New Units Permitted and Existing Units Annexed

Neighborhood		SFA	Manufactured/ Mobile Home		Total
Echeta	13		1		14
Wagon Wheel	13		1		1
Northside			1		1
Heritage			40		40
Westside			1		1
Stocktrail			1	50	50
CBD				30	30
Meadowlark	1				1
Hillcrest	1				1
Westover	12				12
Paintbrush	20				20
Sunflower	20				20
Sunflower	57	58		112	227
	31	38		112	221
Country Club	1 5				1.5
Donkey Creek	15				15
Lakeway	1				1
"E"	1.0	10			57
South Park	46	10			56
Energy Park	9				9
Camplex					
Collins					
Fox Park*	27		49		76
TOTAL	202	68	92	162	524
TOTAL %	39%	12%	18%	31%	100%

SOURCE: City of Gillette, Building Inspection and Community Development

Fox Park* There were 67 housing units added by annexation and 9 new housing units permitted after annexation in the Fox Park Neighborhood. The totals are not for the Fox Park Subdivision, which is in the process of being annexed. The totals reflect housing units west of the Fox Park Subdivision, which was annexed during 2009.

Table 5 shows the Gillette housing inventory from 2003 through 2008. Table 5 also shows multifamily inventory increased by 30% in 2007. Single-family attached, or duplexes, grew by 12%. This growth shows Gillette is offering more housing choices.

TABLE 5
TOTAL HOUSING INVENTORY BY TYPE DISTRIBUTED BY NEIGHBORHOOD

Neighborhood	Single Family Detached	Single Family Attached	Mobile - Manufactured Homes	<u>Multi-Family</u>	Other	Total
Echeta	352	86	302	196	0	935
Wagon Wheel	155	2	91	82	0	330
Northside	188	0	117	70	8	383
Heritage	280	0	479	294	0	1,053
Westside	15	4	194	0	0	213
Stocktrail	510	106	39	248	105	1,008
CBD	53	4	4	24	10	95
Meadowlark	352	59	195	251	0	857
Hillcrest	290	228	264	330	0	1,112
Westover	495	198	3	164	0	860
Paintbrush	1,199	86	0	76	0	1,361
Sunflower	379	303	0	292	0	974
Sunburst	277	326	103	154	0	860
Country Club	60	28	0	136	79	303
Donkey Creek	228	3	46	0	0	277
Lakeway	143	10	80	0	0	233
"E"	0	0	2	0	0	2
South Park	232	31	1	552	0	816
Energy Park	134	10	177	0	0	321
Camplex	0	0	2	0	0	2
Collins	141	0	42	0	0	183
Fox Park	27	0	49	0	0	76
TOTAL	5,513	1,482	2,192	2,893	202	12,282

SOURCE: City of Gillette Community Development Department

The top five neighborhoods with the most housing units are: Paintbrush, Hillcrest, Heritage, Stocktrail and Sunflower. In comparison, five years ago, the Paintbrush, Hillcrest, Sunflower, Stocktrail, and Meadowlark neighborhoods had the most housing units.

During 2009, in order, the Sunburst, Fox Park, South Park, Stocktrail and Heritage neighborhoods grew the most; adding 449 new or annexed housing units. There are now four neighborhoods with over 1,000 housing units: Paintbrush, Hillcrest, Heritage and Stocktrail. Those four neighborhoods have 4,534 housing units combined, or 36% of all housing units in the City.

MAP 2 Neighborhood Map

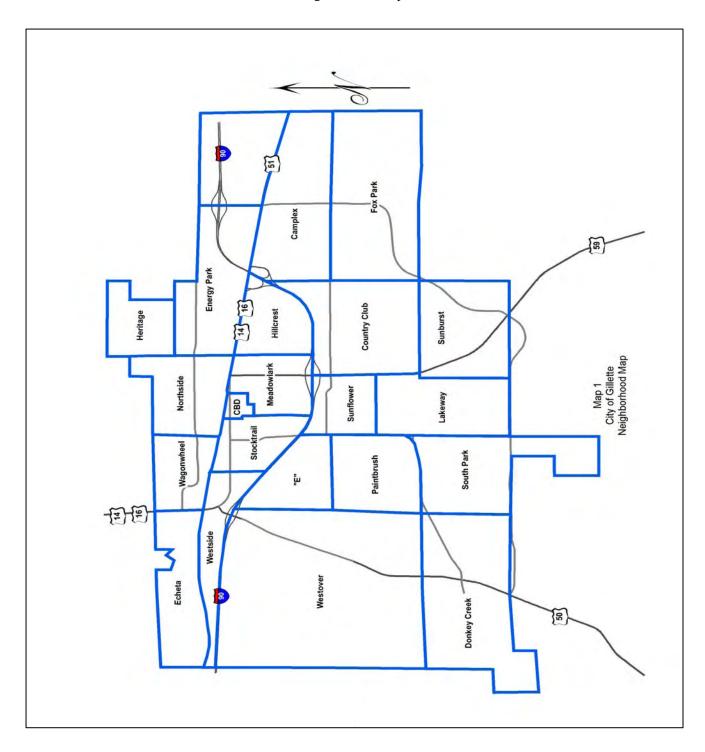


TABLE 6Comparison of Dwelling Unit Totals by Type

Housing Type	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Single Family Detached	3,860	3,950	4,157	4,280	4,369	4,522	4,882	5,126	5,311	5,513
Share of Inventory	47.8%	47.4%	47.8%	47.3%	47.2%	47.4%	47.8%	45.1%	45.1%	44.8%
Attached 2 and 3 Units	1,017	1,035	1,041	1,054	1,080	1,090	1,172	1,312	1,414	1,482
Share of Inventory	12.5%	12.4%	11.9%	11.6%	11.6%	11.4%	11.4%	11.5%	12.0%	12.0%
Multi-Family 4 Units or more	1,683	1,683	1,683	1,817	1,875	1,947	2,033	2,635	2,731	2,893
Share of Inventory	20.8%	20.2%	19.3%	20.1%	20.2%	20.4%	19.9%	23.2%	23.2%	23.5%
Manufactured Home	1,313	1,453	1,612	1,682	1,728	1,802	1,905	2,072	2,100	2,192
Share of Inventory	16.2%	17.4%	18.5%	18.6%	18.6%	18.8%	18.6%	18.2%	17.8%	17.8%
Temporary Units	202	202	202	202	202	202	202	202	202	202
Share of Inventory	2.5%	2.4%	2.3%	2.2%	2.1%	2.1%	1.9%	1.7%	1.7%	1.6%
Total Inventory	7,960 to 8,075	8,323	8,695	9,035	9,254	9,536	10,194	11,347	11,758	12,282
Units Added During Year Includes New Permits and Existing Units Annexed Into City	115	248	372	340	219	282	658	1,153	411	524

Source: City of Gillette Community Development Department

There have been 4,322 housing units added to the City from the start of 2000 through the end of 2009. The housing stock grew by 54% over the decade. Single family detached homes lost 3% of the housing stock share over the decade. In 2000, the single family detached home made up 47.8% of all the housing units in town. By 2009, it made up 44.8% of all housing units. This is a drop of 3%. Single family attached two- and three-unit homes made up 12.5% of the housing stock at the beginning of the decade. By 2009 it had dropped slightly to 12.0%.

Multi-family units made up 20.8% of all housing units in 2000. By the end of the decade multi-family units made up 23.5% of all housing units in Gillette. Manufactured/mobile homes made up 16.2% of all housing units in 2000. By the end of 2009 it made up 17.8% of all housing units.

RENTAL VACANCY RATES

The vacancy rate climbed in 2009 due to a slowed local mineral economy. This is unlike the four previous years. From 2005 through 2008, the vacancy rate remained very low due to the high demand placed upon energy sources. Table 6 (on the previous page) shows the vacancy rates by quarter for the time period 2005 through 2009. The vacancy rate for apartments and other buildings climbed during the course of 2009. There were 162 units that were close to completion or completed at the end of 2009. The vacancy rate for manufactured home parks also increased during the course of 2009. The combined effect means there are more choices for a person or family who rents. Apartments which charge more and manufactured home parks which enforce rules concerning a model year requirement for the home to be placed in the park both experienced the most vacancies during the year.

TABLE 7RENTAL VACANCY RATES BY QUARTER 2005 – 2009

Apartments and Other Buildings	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Average
2005	2.1	1.7	.5	.3	1.1%
2006	.2	.2	.2	0	.1%
2007	.1	.1	.1	.1	.1%
2008	.1	.1	.1	.1	.1%
2009	1.4	5.4	6.1	7.1	5%
Manufactured					
Home Parks					
2005	19.6	16.9	16.1	12.8	16.35%
2006	10.3	8.9	8.9	8.1	9.05%
2007	8.0	7.8	3.0	2.0	5.20%
2008	4.8	4.9	5.1	5.1	4.9%
2009	5.3	5.2	6.1	6.5	5.7%

SOURCE: City of Gillette Community Development Department

Sample Size 2005: 1,351 apartments and other buildings and 1,321 manufactured home rental spaces.

<u>Sample Size 2006-2008</u>: 1,351 apartments and other buildings and 1,388 manufactured home rental spaces

RESIDENTIAL DEVELOPMENT ACTIVITY

There were 970 single-family, EMH, manufactured home, duplex, multi-family and tri-plex housing units as well as 12 acres of R-4 located in subdivisions that were in the Preliminary or Final Plat Review stage at the end of 2009. At the end of 2009, there were 737 housing units that could apply for a zoning/building permit and 1,707 housing units within the subdivision review stage and could also apply for a building permit. By comparison, at the end of 2008, there were 1,942 housing units within the subdivision review stage that could apply for a building permit and 2,283 at end of 2007.

Subdivisions: Approved – Zoning and Building Permit May Be Applied For

Name	Available	Location	Price Range Based	Neighborhood
	To Build –		On Best Information	
	Estimated		Available	
RC Ranch I	10 SFD	Enzi Drive	\$300 - \$375,000 SFD	South Park
	18 Duplex		\$200 - \$225,000	
			Duplex	
Westgate	6 SFD	West end of Westover Rd	\$400,000 - \$600,000	Westover
Castle Heights I	15 SFD	Lakeway west of Bluffs	Contact Builder	Paintbrush
	12 Duplex	Ridge		
College Park I	8 SFD	East of College Campus	\$160,000 - \$220,000	Lakeway
Doud Ranch III	8 SFD	West of Hwy 50	\$250 - \$380,000	Donkey Creek
Western Sky I,II,III	15 SFD	Across the street from	\$350,000 - \$450,000	Westover
		Big Horn Estates on		
	52 CED	Overdale	C + D 111	T 1 .
Iron Horse III	53 SFD	Foothills Blvd.	Contact Builder	Echeta
Remington Estates	25 SFD	South of Southern Dr	\$200 - \$295,000 SFD	South Park
a st st	32 Duplex		~ .	~ .
Moon Shadow 2 1 st Filing	23 SFD	East of Moon Shadow	Contact Agent	Sunburst
Sawgrass 1 st Filing	30 SFD 50 Duplex	West of Garner Lake	\$165,000 - \$185,000	Sunburst
Moon Meadow Estates 3	10 Duplex	West of Garner Lake	Starts at \$165,000	Sunburst
Moon Shadow 2 2 nd Filing	10 SFD	East of Moon Shadow	Contact Agent	Sunburst
RC Ranch II	85 SFD	Enzi Dr	Contact Agent	South Park
Pronghorn I	3 SFD 34 Duplex	Lakeway Rd	Contact Agent	Paintbrush
Lakeland Ph. II	65 SFD	Warlow Dr	Contact Agent	Energy Park
Ash Meadows	57 MH	Kluver Rd	\$125,000 - \$165,000	Heritage
Rimrock II	5 EMH	West of Foothills Blvd.	\$165,000 - \$195,000	Foothills
Copper Ridge, Ph. I	59 SFD	West end of Westover Rd	Contact Agent	Westover
	30 Duplex			
Bittercreek II, Phase I	40MH	Kluver Road	Contact Agent	Heritage
Legacy Ridge Phase I	22 Duplex	Shoshone Avenue	Contact Agent	Lakeway
A Total of 737 housing	12 Triplex 415 SFD			
units may apply for a	415 SFD 208 Duplex			
Zoning and Building	12 Triplex			
Permit	12 Triplex 102			
1 61 11111	MH/EMH			
	1 4111/17/1/11			

Subdivisions: Final Plat Review Stage – As Of 12/31/09

Name	Lots	Location	Neighborho od
Sawgrass 2 nd Filing	15 SFD 68 Duplex	West of Garner Lake	Sunburst
Remington Estates III & IV	120 SFD	South of Enzi Drive on Southern Drive	South Park
Bittercreek II	152 MH	Kluver Road	Heritage
A Total of 355 housing units in Final Plat stage	135 SFD; 68 Duplex 152 MH		

Subdivisions: Sketch or Preliminary Plat Review Stage – As Of 12/31/09

Name	Lots	Location	Neighborhoo d
Lakeland Hills, Phase III & IV	115 SFD, 42 Duplex	North of Warlow east of Gurley Ave	Energy Park
Western Skyline IV &V	80 SFD	West of Moonshiner	Westover
Pronghorn Ranch II	90 SFD; 20 Duplex	South of Lakeway	Paintbrush
Copper Ridge II	108 SFD	Westover Road	Westover
Legacy Ridge	150 SFD	North of Southern Dr	Lakeway
A Total 605 housing units in Preliminary Plat stage	543 SFD; 62 Duplex		

RESIDENTIAL REAL ESTATE MARKET SUMMARY

"Stability" best describes the residential real estate market in Gillette. The average selling price in 2008 was approximately \$221,900 with the average in 2009 being approximately \$221,600. "Stability" also best describes the number of units for sale in 2008 and 2009. During 2009 there were approximately 625 residential units sold, while in 2008 there were approximately 630 units sold.

The number of days it took to sell a home in 2008 is also very similar to the amount of time it took to sell a residence in 2009. In both 2008 and 2009, it took approximately 130 days on the market before a residence was sold. The stability shown by the residential real estate market in Gillette implies there is a good balance between the supply of homes for sale and the demand for residences to be purchased. Sources: Traci Conklin, RE/MAX Professionals and Robert Zabel, Zabel & Associates, January 2010



Ash Meadows Subdivision on Kluver Road – Placing a New Manufactured Home – 2009

COMMERCIAL BUILDING ACTIVITY

There were 53 commercial building permits issued for new construction during 2009. Significant commercial projects included: Veteran's Clinic on Express Drive, a church, elementary school, communication towers and multi-family housing. The total valuation for commercial projects for 2009 was \$43,808,880. The past 10-year time period has been one of significant growth and investment in commercial/institutional/public/industrial multi-family building projects in Gillette.

2000 - 2009 GILLETTE COMMERCIAL ACTIVITY

Examples of new commercial projects over the past decade that exceeded \$1 million investment include: Thunder Basin Ford, Wingate Inn, Holiday Inn Express, Silverado Center, Hampton Inn, Fairway Estates Apartments, Wyoming Orthopedic Center, Home Depot, Taco Johns, White Energy Motors, Brookstreet Inn, Cummins Diesel facility, Fairfield Inn, Remington Apartments (240 units), the Yes House campus, First National Bank of Gillette, L&H Welding, Hettinger Welding, Gillette Hospice, Cottonwood Terrace, the hospital's parking garage, Cam-Plex addition, the new Fire Department headquarters, the new Recreation Center, College Housing, College Technical Education Center, RC Ranch Apartments (336 units), Primrose Senior Living, Indoor Water Park, Davis Chevrolet (now known as White's Frontier Motors), Public Health Building, Border States Electric, Family Dollar, Country Inn and Suites, Family Dollar Center, four tax credit apartment complexes with a combined 275 units, the Hospice House, the new LDS church, and the Kingdom Hall of Jehovah Witnesses.



New VA Clinic at Remington Estates on Express Drive - Opened 2009

CITY OF GILLETTE CAPITAL INVESTMENTS - The Last Decade

Significant and consistent attention is given to long term development of public infrastructure by the City of Gillette. The current 2007-2022 Strategic Plan for the City has the improvement of the City's infrastructure as its first goal. The objectives of Goal One include: an adequate long term water supply, quality water treatment, expansion of the wastewater treatment plant, expansion of a quality electrical distribution system, increasing water conservation, and a long-term infrastructure plan with sustainable funding sources. The Strategic Plan can be viewed on the City's website at: http://www.ci.gillette.wy.us/

The year 2008 was very busy for infrastructure improvements within the City. The transportation portion included the extension of Kluver Road, Lakeway Road, Shoshone Avenue, and Sinclair Road. These roadway improvements cost approximately \$22.7 million and provide more connections through Gillette. They also provide better access to Hwy. 59. The widening of Hwy. 59 south of Interstate 90 was also completed by WYDOT in 2008. In 2009, the City started the Burma Avenue Extension. It is meant to provide another north-south route across the interstate and relieve congestion on 4-J Road. It will also open up more land for industrial development south of Interstate 90. The Burma Avenue Extension starts near Campbell County Memorial Hospital and connects with West Lakeway Road. Its estimated cost is \$15 million and the new roadway is expected to be open for traffic in 2010.

The City's Wastewater Treatment Facility was upgraded and completed during 2007. The upgrade means the facility can manage a population of 50,000 people. The Stonepile Creek Sewer Trunk Line was upgraded to handle more capacity in 2008 at a cost of \$1.7 million.

The City is currently replacing the existing S-20 Fort Union Formation water well adjacent to Foothills Boulevard. The well will utilize the reverse-circulation method with a desire to improve production. The Level II Water Supply study evaluated all the City's long-term water supply options and was completed in June of 2007. The Burma Avenue Raw Water Transmission Line was completed in 2008 at a cost of \$2.1 million.

The City's Water-Wise Conservation program entered its third year during 2008. The program is an extension of the City's commitment to ensure adequate water supplies for domestic use, fire suppression, and irrigation. City Council members adopted an ordinance establishing a water conservation rate, which establishes higher tiered rates for water consumption by individual residential customers in excess of 35,000 gallons per month. The Council also adopted a resolution requesting residents voluntarily set a watering schedule based on odd/even addresses and limit watering of yards to the hours between 7 p.m and 7 a.m.

The City of Gillette provides electrical service within the City's boundaries. The Electrical Services Department began expansion of the 69kV transmission lines during 2007. This project will replace older infrastructure, improve service reliability, and extend service to growth areas. The project was completed in 2009. During 2008, the Sunburst Drainage Improvements project was also completed. The improvements help drain the west side of Hwy 59 from Arapahoe Avenue to Donkey Creek.

The City also constructed the new Health Sciences Center at Gillette College during 2007-2008. The facility houses the nursing program at the College and provides training areas to be used by Campbell County Memorial Hospital. Classrooms, labs, faculty offices, and a presentation area were included as part of the building. The cost of this educational addition at Gillette College came to approximately \$9 million.

The City of Gillette, Campbell County, Campbell County Memorial Hospital and Gillette College partnered on a number of projects during 2007–2008. The new Health Science Center, the new Campus Housing Complex, and the new Industrial Technical Education Center are all examples of extraordinary cooperation between the four entities. The City, Campbell County School District and Campbell County partnered on the new County Recreation Center. The City provided the land and became a member of the Recreational Project Join Powers Board with the County and School District who developed and funded this project. The state of the art facility will house Country Recreation programs and School District athletic activities.

CAMPBELL COUNTY CAPITAL INVESTMENTS – The Last Decade

In turn, 2009 was a busy capital investment year for Campbell County capping a decade worth of infrastructure investment by Campbell County. During 2007, the new Campbell County Fire Department Headquarters completed construction. The total cost for the building came to approximately \$10 million. The new headquarters was built primarily to increase efficiency of service to the public. Construction of the new Cam-Plex addition, named the Wyoming Center, was completed in October 2008. Completion of the 177,000 square foot addition totaled just under \$42 million. The red brick facility is capable of holding 9,000 people for a spectator event or 3,000 for a sit-down dinner. When trade show space is needed, more than 650 booths can be provided under one roof. The Wyoming Center also boasts a NHL regulation ice rink with seating for 2,500. Conference rooms and large space gathering areas are also available in the Wyoming Center. The Wyoming Center was first conceived in 2003 when Cam-Plex staff discovered they were turning away more than 150 events a year.

The Wyoming Center is the newest of seven Cam-Plex facilities. These facilities are capable of hosting local, state and national events such as the National High School Rodeo Finals, the World Fireworks Conference, RV rallies, County Fair and the Energy Exposition Coalbed Methane Fair.



The Wyoming Center - New Cam-Plex Addition

During 2009, the new Campbell County Recreation Center on Enzi Drive continued toward completion. It is approximately 186,000 square feet and cost \$55 million. The new recreation center is to have workout rooms, an indoor track, climbing walls, indoor tennis courts, racquet ball courts, squash courts, a Senior Walking Track, and an indoor dive and lap swimming pool. The County Recreation Center is a joint project between Campbell County, the City of Gillette and the Campbell County School District. It is scheduled to be opened in April 2010. The project is one of the largest that the County has undertaken. It is expected to add significantly to the recreational opportunities within the community.



Campbell County Recreation Center During Construction 2009

Campbell County completed the new Public Health Building and extensive main Library renovations during the decade. Major infrastructure projects during 2008-2009 include the development of Northern Drive, the expansion of the Campbell County Landfill, various road projects such as Cow Creek Crossing, library renovation work in Wright, airport renovation projects, and the addition to the county's Detention Center.



Campbell County Health Department 2007

The Campbell County Detention Center increased its capacity to manage 144 more adult offenders and 16 juvenile offenders. The facility opened in July 2009. The upgraded Detention Center is 137,000 square feet and holds 272 people. In addition to its new housing, the center also has new intake, booking, and medical areas, a new laundry, and an enlarged kitchen. It also has an expanded Sheriff's office, Coroner's office and 911 dispatch. The investment into the upgraded detention center was \$27.4 million.



Campbell County Detention Center Addition

SCHOOL DISTRICT CAPITAL INVESTMENTS

The Campbell County School District initiated a Capital Facilities Plan during 2007 that took into consideration the building of three new elementary schools. Recluse Elementary School thirty miles north of Gillette, Hillcrest Elementary School north of Interstate 90 on Butler Spaeth Road was completed and entered service in September 2009. Prairie Wind Elementary in the Westover neighborhood is currently under construction and will be brought into service at the beginning of the 2010 school year. More information about the school district can be found at www.ccsd.k12.wy.us.



New Hillcrest Elementary School – Opened For Students September 2009

INSTITUTIONAL CAPITAL INVESTMENTS

Public investment is essential to quality of life and economic development. In 1975, that key element was lacking. Public investment over recent years has transformed the community into a regional hub for goods and services in northeast Wyoming. The City of Gillette and Campbell County have made significant investments in transportation, sewage treatment, planning/designing for regional water, recreation facilities, fire department, public health facilities, detention center, and parks. The investments have helped provide and support a consistent rate of growth while improving the quality of life. Infrastructure planning is entering a new era with the continued work towards a regional water system. Long term water security provides an extended solution to a basic community need and will allow this community to grow and prosper. The continued investment into public infrastructure also provides future community stability and prosperity.

Campbell County Memorial Hospital

Campbell County Memorial Hospital is in the planning stages for a nearly 168,000 square foot expansion and renovation project. According to information provided by the hospital, the project includes a new walk-in clinic, new inpatient and outpatient surgery area, new outpatient pharmacy, 73 new rooms for medical/surgery patients, ICU and OB, new lobby, new gift shop, new patient registration area, and a new 180-space parking structure. Construction for the new parking garage has started construction in 2009. Additional information about the hospital can be found at www.ccmh.net. The estimated cost of the hospital expansion is \$65 million.

Gillette College

Gillette College cut the ribbon on December 14, 2009, for the new Industrial Technical Education Center. Classes started in the new facility in January 2010. Fifty percent of the funding was received from the Wyoming State Legislature and the remaining 50% of the cost was covered by local taxpayers through an increase in the mill levy. The Industrial Technical Education Center houses an Industrial Electronics, Welding, and Diesel Mechanics curriculum. Gillette College is dovetailing this project by the introduction of student living facilities to the campus.

The student housing project is a joint venture between the City of Gillette and Gillette College. There will eventually be space for 500 students in 17 buildings. The first phase of campus student housing opened in the fall of 2009 for 100 students to take advantage of.

The campus is connected together by streets, academic buildings, dorms, open space and sidewalks. The vehicular and pedestrian circulation pattern makes for an efficient and safe movement. The Industrial Technical Education Center is tied to the remainder of the campus by a walking bridge that also allows for small maintenance equipment. Parking is designed to encourage students and staff to keep their vehicles in one location during the day. Parking near campus housing also encourages students to walk to class.



Industrial Technical Education Center – Opened For Students 2009-2010 School Year

The Gillette College Campus Master Plan, the planning and construction of student housing, and the Industrial Technical Education Center are demonstrative of the community's desire to develop the College into a permanent asset. The College Master Plan was developed and implemented in 2007. Gillette College not only offers educational opportunities to individuals, but works with local business interests to dovetail educational curriculum that assists the local economy. The estimated public investment for the first phase of campus housing and the Industrial Technical Education Center was approximately \$45 million.

Gillette College is part of the Northern Wyoming Community College District. Gillette College offers Associate of Arts, Associate of Science, Associate of Applied Science and various certificates. Gillette College has educational partnerships with the University of Wyoming, Black Hills State University and SUNY Canton. The average class size of 14 promotes a personal learning environment. Gillette College is fully accredited by the Commission on Institutions of Higher Education of the North Central Association of Colleges and Schools.

POWDER RIVER BASIN – POWER GENERATION, COAL MINING AND RAILROAD CAPITAL INVESTMENTS

Electrical Generating Projects

The Powder River Basin is a major energy development/resource area according to the U.S. Department of Energy. Gillette and Campbell County are the heart of the basin. The Powder River Basin provides 40% of all coal used in the U.S. for electrical power generation. Significant coal bed methane deposits are also located in the Powder River Basin. There are significant investments being made in the Powder River Basin for electrical power generation, further development of coal mining, and upgrades to the existing railroad infrastructure. These improvements help move the coal to all parts of the U.S.

The U.S. Department of Energy, Energy Information Administration has indicated coal usage is expected to grow to 57% of the nation's electrical supply beyond 2015. Today, coal provides right at 50% of the fuel used to generate electricity across the nation.

Electrical Power Generation

There are four new coal-fired electrical power generation projects underway in Campbell County. The projected investment into three of the projects is estimated at \$2.1 billion. The cost of the fourth project is unknown at this time.

Basin Electric Power Cooperative broke ground in November 2007 for the Dry Fork Station. Basin Electric is building the electric power plant to help ensure its cooperatives members will receive adequate electric power service in the future. The projections indicate the cooperative members of Basin Electric will need the additional electric service by 2011.

The Dry Fork Station is located seven miles north of Gillette. The gross output of this power plant should be 385 megawatts. One mega watt of electricity is generally considered to be sufficient to provide electric power to 800 homes. The Dry Fork Station is expected to provide electrical service to 308,000 homes. The plant will have 80 permanent jobs. Its investment cost is estimated at \$1.3 billion. As of December 2009, the Dry Fork Station is 78.7% complete.

Basin Electric is made up of 136-member electric provider organizations. The cooperative serves 2.8 million people in nine western states. Basin Electric power plants use a range of fuels including coal, oil, natural gas, nuclear, and renewable sources (including wind power).



Artist's Rendition Of The Dry Fork Station

WyGen II, located east of Gillette, went into service in December of 2007. It's owned by the Black Hills Corporation, has an output of 90 megawatts, and cost \$169 million. There are 20 permanent jobs through the expansion.

Also located east of Gillette is WyGen III. It, too, is owned by the Black Hills Corporation. The planned output for this electrical generation project is 90 megawatts. Costs, construction jobs, and permanent jobs are not known at this time. It is awaiting regulatory approval.

The Two Elk Power Generation Facility is located 13 miles east of Wright at a mine-mouth location and will use waste coal from the Black Thunder Mine. The facility will have a gross output of 320 megawatts. The owner is Two Elk Generation Partners, an affiliate of North American Power Group. There are 550 construction jobs expected and 50 permanent jobs at the plant once it is completed. The estimated cost is \$750 million. The air quality permit has been approved and extended for Two Elk.

Coal Mining

Wyoming is the largest coal producing state. It has worked to hold this title since 1988. Wyoming accounts for almost three-fourths of all coal produced in the western United States. The coal mined is sub-bituminous and is considered softer and cleaner than other types of coal. Campbell County is a major energy development area in the United States. There are 16 operating coal mines located in Campbell County which provide 40% of all coal used in electrical generating power plants across the nation. The Powder River Basin is the largest coal providing area in this country. The top 10 employers in Campbell County include four coal mining companies. North Antelope Rochelle Mine, located in Campbell County, is the largest coal mine in North America. There is an estimated 250- to 350-year coal reserve in the Powder River Basin.

From 2003 through 2007, according to data from the Mine Safety and Health Administration (MSHA), coal production in Campbell County increased from 363.5 million tons to 436.6 million tons. Out of the 1.148 billion tons produced in the U.S. during 2007, according to the Department of Energy Information Administration, Campbell County produced slightly more than 40% of the nation's total. The U.S. Energy Information Administration estimated in January 2009 coal production nationwide for the year would fall by 7%. Coal production for 2009 in the Powder River Basin decreased an estimated 7% from 451.7 million tons in 2008 to an estimated 419.6 million tons in 2009, according to early estimates by MSHA. This is the first time coal production has declined in the Powder River Basin in more than two decades. The decrease is due to lowered demand of electrical generation across the country. Though there was a drop in coal production, most of the mines in the basin were able to keep their work force at current levels. There was a slight increase in employment at the mines as close to 119 jobs were added.

Looking ahead to 2010

The Bureau of Land Management (BLM) produced a regional study of the Powder River Basin in 2005. It identified current conditions in the Powder River Basin, reasonably forecasted coal, coal-related, and other industrial development through 2020, and predicted cumulative impacts. It reviewed and analyzed data in order to project future development of coal leasing and other industrial development in the basin. Approximately 90% of all coal in the Powder River Basin is owned by the Federal Government.

Mine-related capital investment is substantial, according to the BLM study. The study included the Powder River Coal Review, under the projected lower and higher coal production scenarios for the North Gillette, South Gillette and Wright Mine Sub-regions. The mine-related capital investments ranged from \$163 million for the low production scenario to \$4274 million at the high production scenario between 2003 and 2010. By 2015 the mine-related capital investment reportedly rises to \$285 million at the low production end to \$333 million at the upper production level. The study can be found at www.blm.gov/wy/st/en/programs/engergy/Coal Resources/PRB Coal.htm



Cordero Rojo Mine

State and Local Coal Update

On March 4, 2008, Wyoming became the first state to enact carbon sequestration legislation. The new statutes enable a framework for underground storage of carbon dioxide and other emissions from coal-fired power plants. The legislation is a part of Wyoming's effort to develop new clean coal technologies.

In October 2008, GE Energy and the University of Wyoming reached agreement to build the High Plains Gasification Advanced Technology Center. The center will allow researchers to advance gasification and "cleaner coal" technologies for Powder River Basin coals and other coals. Work carried out at the center is meant to keep coal in the mix of cleaner energy resources to be used in the future. The center will be built near Cheyenne.

In early January 2009, Buckskin Mining Company and White Energy Coal America announced a joint venture to build a coal upgrade plant just north of Gillette. The \$80 million investment will create a facility meant to expand the Powder River Basin coal market. The coal upgrading process involves pressure to remove moisture from the coal. The intended product is briquettes with a heating value which is 35% higher than the raw Powder River Basin coal. The facility is expected to be in service sometime during 2010.

Also during 2009, Rio Tinto operating in the Powder River Basin was purchased and became Cloud Peak Energy. The company, based in Gillette, is now the third largest coal company in the U.S. Additionally; Arch Coal purchased the Jacobs Ranch Mine and combined its resources to make Arch Coal one of the largest active coal mining operations in the world.

Railroads

The Powder River Basin is served by the Burlington Northern Santa Fe (BNSF) and the Union Pacific (UP) railroads. There was a joint agreement between the two railroads to spend about \$300 million between mid 2006 and mid 2008 on rail line improvements in this area since the Powder River Basin is the largest U.S. rail market in terms of volume.

BNSF and UP have spent more than \$200 million since 2005 on adding two tracks along the 75 mile joint line in the Powder River Basin. There are now a total of four tracks jointly used in the basin by BNSF and UP. There are approximately 65 unit trains that leave Campbell County daily laden with coal. It has been estimated that each unit train, at 115 cars long, will grow over time to 150 cars, according to BNSF and UP officials.

EMPLOYMENT DATA

Table 8 (below) shows major employers in Campbell County. Most of the major employers are directly related to mineral extraction activities, equipment, and support services

TABLE 8
MAJOR EMPLOYERS
Campbell County 2007 - 2009

Employer	2007 Employees	2008 Employees	2009 Employees
Rio Tinto Energy	1,855	1,890	1,529
America			
(Cloud Peak Energy			
starting in 2009)			
Campbell County	1,673	1,642	1,771
School District			
Peabody Energy	1,583	1,766	1,926
Arch Coal	1,236	1,307	1,784
Campbell County	950	980	990
Memorial Hospital			
Foundation Coal West	580	624	638
(Alpha Coal West			
starting in 2009)			
Campbell County	579	634	627
Hettinger Welding	454	370	260
Walmart	430	530	496
Buckskin Mining	300	335	346
City of Gillette	250	261	279
L&H Industrial	200	225	200
P&H Mine Pro Services	130	148	146
Total Employees	10,220	10,712	10,992

SOURCE: Campbell County Economic Development Corporation, 2007-2009

Table 9 (below) shows the change in employment by number of employees working from January 2000 through November 2009. It also shows the unemployment rate by percent for the same period. The total number of employees grew by 40% in Campbell County over the time period.

 $\begin{array}{c} \textbf{TABLE 9} \\ \textbf{ANNUAL CHANGE FOR EMPLOYMENT AND UNEMPLOYMENT} - \textbf{CAMPBELL COUNTY} \\ 2000 - 2008 \end{array}$

Year	Number of Workers	Change	Change By Percent	Unemployment
	Employed			Rate By Percent
2000	19,299			3.1
2001	20,847	1,574	8.2	2.7
2002	21,418	571	2.7	3.0
2003	20,895	-523	-2.4	3.6
2004	21,212	317	1.5	3.1
2005	22,681	1,469	6.9	2.7
2006	24,279	1,798	7.9	2.1
November 2007	26,155	1,876	3.0	2.1
November 2008	27,001	846	3.2	1.8
November 2009	27,530	529	0.5	5.1
Change From	8,090 Total		The Number of	2008 is the lowest
2000 -11/2008	Employees Added		Employees Grew By	unemployment
	From 2000 –11/2009		40.7%	rate since 2000
			From 2000-11/2009	

SOURCE: State of Wyoming Department of Employment, Research, and Planning, 2009

Table 10 (below) shows that since 2000, Campbell County had an annual unemployment rate that was less than the unemployment rates for the State of Wyoming and the United States. From 2001 through 2003, the unemployment rate rose for the U.S., Wyoming, and Campbell County. From 2004 through November of 2008 the unemployment rate dropped across the board.

TABLE 10

UNEMPLOYMENT RATE COMPARISONS BY PERCENT 2000 – 2009
For United States, Wyoming and Campbell County

Year	United States	Wyoming	Campbell County
2000	4.0	3.8	3.1
2001	4.7	3.9	2.7
2002	5.8	4.1	3.0
2003	6.0	4.4	3.6
2004	5.5	3.9	3.1
2005	5.1	3.7	2.7
2006	4.3	3.2	2.1
November 2007	4.5	2.8	2.1
November 2008	6.5	3.2	1.8
November 2009	10.0	7.2	5.1

SOURCE: Wyoming Department of Employment, Research and Planning

SUMMARY

Gillette held its own during 2009 as compared to other communities around the nation. Employment in Campbell County grew by 40% from 2000 through November of 2009. Gillette grew by 4.4%, which is more than the average growth rate of 3.41%. Almost 530 jobs were added locally in 2009 and there was more than \$43 million in new commercial construction permitted during the year. The population estimate for Gillette is 33,159 as of January 1, 2010. The national recession of the past two years resulted in reduced coal production in the Powder River Basin during 2009. It has been more than two decades since there has been a drop in coal production within the Basin. Vacancy rates increased and the unemployment rate reached 5.1% in Campbell County. The national unemployment rate stood at 10.1% at the end of 2009.

With significant public and private investment in Gillette and Campbell County, confidence in this area's future is and remains strong. This decade will likely be known as the time major building blocks were put in place to help this community grow and prosper for the coming decade.

The commitment in Gillette, Wright and Campbell County to producing energy is exemplified across the nation. Coal from the Powder River Basin is shipped by train to 38 states at more than 1 million tons - each day of the year. Coal from this community supplies daily an estimated 19% of electricity generated across the country. This area produces the resource that enables schools, businesses, industries and families to learn, sell, buy, build and gather together in any place called home – each day of the year. Our area's workforce keeps the light of commitment burning.



Map of contiguous United States at night 2007, from U.S. Geologic Survey.

DEVELOPMENT PROJECT/COMMUNITY INFORMATION CONTACTS

	T	
Gillette City Planning	Michael Surface	307-686-5281
Lead Agency for City	Staci Beecher & Steven McRann	MichaelS@ci.gillette.wy.us
Development Projects		
Gillette City Engineering	Dustin Hamilton	307-686-5265
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Gillette Public Works	Steve Augerot	307-686-5320
	Parks, Streets, and Solid Waste	SteveA@ci.gillette.wy.us
Gillette City Utilities	Lori King	307-686-5262
·	Electrical, Water, Wastewater	Lori@ci.gillette.wy.us
Gillette Building Inspection	Jim Brown	307-686-5260
	Building Plans, Permits,	Jim@ci.gillette.wy.us
	and Inspection	
Gillette GIS	Lee Pratt	307- 686-5364
	Addressing and	LeeP@ci.gillette.wy.us
	City Growth Map	
Campbell County Fire Dept	Eric Acton	307-682-5319
1 1		eacton@ccfire.us
School District	TBD	307-682-5171
Qwest	Varies	1-800-526-3557
Bresnan	Dan Kelly	307-257-7840
Source Gas	Varies	307-682-5881
U S Post Office - Gillette	Varies	307-682-3727
Powder River Energy	Quentin Rogers	307-685-3516
Campbell County Public Works	Megan Lehman	307-685-8061
	500 South Gillette Avenue	
Planning Dept	300 South Gillette Avenue	mbl08@ccgov.net
Campbell County Assessor For	500 South Gillette Avenue	307-682-7266
Surrounding Property Owners		www.ccg.co.campbell.wy.us
List		
Campbell County Clerk	500 South Gillette Avenue	307-682-7285
1		www.ccg.co.campbell.wy.us
One-Call of Wyoming	Utility Locates	1-800-849-2476
Town of Wright	201 Wright Blvd.	307-464-1666
Zoning Ordinance	P.O. Box 70	City Hall
	Wright, WY 82732	www.wrightwyoming.com
Campbell County EDC	Philippe Chino	307-686-2603
		Philippe@ccedc.net
Campbell County Chamber of	Julie Simon	307-682-3673
Commerce	June Dimon	frontoffice@gillettechamber.com
Commerce		nontornee e ginetteenamoer.com
D 1 CD 1	210 0 1/11 1 2 2 2 2	207 (02 2700
Board of Realtors	310 S. Miller Avenue, Suite D	307-682-2789
	Gillette, WY 82716	ccbor@vcn.com
		Online Information at
N. d. W. C.	77 1.1	www.gillettehomebay.com
Northeast Wyoming Contractors	Katie Alo	307-682-3673
Association	314 South Gillette Avenue	
	Gillette, WY 82716	

Campbell County Airport	2000 Airport Rd., Suite 108 Gillette, WY 82716	307- 686-1042 www.ccg.co.campbell.wy.us Find under Department Listing
CAMPLEX	1635 Reata Drive Gillette,WY 82718	307-682-0552 www.ccg.co.campbell.wy.us
Campbell County Memorial Hospital	501 South Burma Gillette, WY 82716	307-688-1551 www.ccmh.net
Wyoming Business Report	Follow link to northeast	www.wyomingbusinessreport.com
Wyoming 2007 – Just the Facts! Wyoming Economic Summary State Govt. Revenue Forecast	Wyoming Wyoming Dept. of Administration Economic Analysis Division	Contact: Amy Bittner 307-777-7161 www.eadiv.state.wy.us
	Other links include business, economy, demographics	
Bureau of Land Management	Powder River Basin Coal Review	www.blm.gov
	Past, Present and Future Development Activities/ Social and Economic Effects	Follow links to Wyoming/Programs/Energy/Coal

Developing Gillette is available by print and also can be found on the City website at www.ci.gillette.wy.us. Once at the City website, navigate to Departments and link to Community Development where the reference tool is available for your use. Information for this publication was provided by the City of Gillette, Campbell County, Campbell County Economic Development Corporation, and members of the business community.